

AMENDED IN SENATE AUGUST 7, 2006

AMENDED IN SENATE JUNE 20, 2006

AMENDED IN SENATE JUNE 14, 2006

AMENDED IN ASSEMBLY APRIL 6, 2006

CALIFORNIA LEGISLATURE—2005–06 REGULAR SESSION

**ASSEMBLY BILL**

**No. 2756**

---

**Introduced by Assembly Member Levine**

February 24, 2006

---

An act to add Chapter 5.2.5 (commencing with Section 25423) to Division 15 of the Public Resources Code, relating to energy.

LEGISLATIVE COUNSEL'S DIGEST

AB 2756, as amended, Levine. Energy: efficiency retrofits: State Energy Conservation Assistance Account for Public ~~Universities~~ *Schools*.

Existing law requires the State Energy Resources Conservation and Development Commission to administer the State Energy Conservation Assistance Account, a continuously appropriated account, in the General Fund until January 1, 2011, to provide grants and loans to local governments and public institutions, as specified, to maximize energy use savings.

This bill would establish the State Energy Conservation Assistance Account for Public ~~Universities~~ *Schools* in the General Fund, to provide grants to eligible institutions, defined as a ~~campus of the California State University or a campus of the University of California, for projects, as defined to include energy audits, energy conservation and operating procedures, and energy conservation~~

~~measures~~ Kindergarten and grades 1-12, inclusive, public school located in an area meeting specified low-income criteria, for energy conservation projects in existing buildings and facilities, ~~energy conservation projects, and technical assistance programs.~~ The bill would transfer ~~\$22,000,000~~ \$22,235,000 from the Attorney General's ~~Alternative Energy Retrofit Account in the Litigation Deposits~~ Ratepayer Relief Fund to the State Energy Conservation Assistance Account for Public ~~Universities~~ Schools. The bill would authorize moneys in the account, upon appropriation by the Legislature, to be used by the commission for the purposes of the bill.

The bill would require the ~~Attorney General~~ Department of Water Resources to report to the Legislature on or before July 1, 2007, and each July 1 thereafter, on all sums collected and expended for costs associated with siting and installation of certain generating units obtained through an energy settlement agreement with The Williams Companies, Inc. and Williams Energy Marketing & Trading Company.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Chapter 5.2.5 (commencing with Section  
2 25423) is added to Division 15 of the Public Resources Code, to  
3 read:

4  
5 CHAPTER 5.2.5. ENERGY CONSERVATION ASSISTANCE FOR  
6 PUBLIC ~~UNIVERSITIES~~ SCHOOLS  
7

8 25423. As used in this chapter, the following terms have the  
9 following meanings:

10 (a) "Allocation" means a grant of funds by the commission  
11 pursuant to the procedures specified in this chapter.

12 (b) "Building" means any existing structure that includes a  
13 heating or cooling system, or both, and includes classrooms,  
14 laboratories, dormitories, athletic facilities, administrative  
15 facilities, or related facilities ~~on a campus of the California State~~  
16 ~~University or the University of California at a kindergarten and~~  
17 ~~grades 1 to 12, inclusive, public school in this state.~~ Additions to

1 an original building shall be considered part of that building  
2 rather than a separate building.

3 (c) ~~“Eligible institution” means a campus of the California~~  
4 ~~State University or a campus of the University of California~~  
5 ~~kindergarten and grades 1 to 12, inclusive, public school located~~  
6 ~~in an area meeting specified low-income criteria.~~

7 (d) ~~“Energy audit” means a determination of the energy~~  
8 ~~consumption characteristics of a building or facility that does all~~  
9 ~~of the following:~~

10 (1) ~~Identifies the type, size, and energy use level of the~~  
11 ~~building or facility and the major energy using systems of the~~  
12 ~~building or facility.~~

13 (2) ~~Determines appropriate energy conservation maintenance~~  
14 ~~and operating procedures.~~

15 (3) ~~Indicates the need, if any, for the acquisition and~~  
16 ~~installation of energy conservation measures.~~

17 (e) ~~“Energy conservation maintenance and operating~~  
18 ~~procedure” means a modification or modifications in the~~  
19 ~~maintenance and operations of a building or facility, and any~~  
20 ~~installations therein (based on the use time schedule of the~~  
21 ~~building or facility), that are designed to reduce energy~~  
22 ~~consumption in the building or facility and that require no~~  
23 ~~significant expenditure of funds.~~

24 (f) ~~“Energy conservation measure” means an installation or~~  
25 ~~modification of an installation in a building or facility that is~~  
26 ~~primarily intended to reduce energy consumption or allow the~~  
27 ~~use of a more desirable energy source, including retrofit or~~  
28 ~~replacement of heating, ventilation, and air conditioning systems,~~  
29 ~~appliances, mechanical systems, insulation, windows, and~~  
30 ~~building design and materials.~~

31 (g) ~~“Energy conservation project” means an undertaking to~~  
32 ~~acquire and to install one or more energy conservation measures~~  
33 ~~in a building or facility, and technical assistance in connection~~  
34 ~~with that undertaking.~~

35 (h) ~~“Facility” means any major energy using system of an~~  
36 ~~eligible institution whether or not housed in a building.~~  
37  
38  
39

1 (i) ~~“Project” means a purpose for which an allocation may be~~  
2 ~~requested and made under this chapter. Those purposes shall~~  
3 ~~include energy audits, energy conservation and operating~~  
4 ~~procedures, and energy conservation measures in existing~~  
5 ~~buildings and facilities, energy conservation projects, and~~  
6 ~~technical assistance programs.~~

7 (j) ~~“Technical assistance costs” means costs incurred for the~~  
8 ~~use of existing personnel or the temporary employment of other~~  
9 ~~qualified personnel, or both, necessary for providing technical~~  
10 ~~assistance.~~

11 (k) ~~“Technical assistance program” includes all of the~~  
12 ~~following:~~

13 (1) ~~Conducting specialized studies identifying and specifying~~  
14 ~~energy savings and related cost savings that are likely to be~~  
15 ~~realized as a result of modification of maintenance and operating~~  
16 ~~procedures in a building or facility, in addition to those~~  
17 ~~modifications implemented after the preliminary energy audit, or~~  
18 ~~acquisition and installation of one or more specified energy~~  
19 ~~conservation measures in the building or facility, or as a result of~~  
20 ~~both.~~

21 (2) ~~Planning of specific remodeling, renovation, repair,~~  
22 ~~replacement, or insulation projects related to the installation of~~  
23 ~~energy conservation measures in the building or facility.~~

24 (3) ~~Developing and evaluating alternative project~~  
25 ~~implementation methods and proposals.~~

26 25423.1. (a) ~~Any eligible institution~~ *public university or*  
27 *community college* may submit an application to the commission  
28 for an allocation for the purpose of financing all or a portion of  
29 the costs incurred in implementing ~~a project~~ *an energy*  
30 *conservation project at an eligible institution*. The application  
31 shall be in the form and contain the information that the  
32 commission shall prescribe.

33 (b) An application may be for the purpose of financing the  
34 *applicant's or the eligible institution's* share of costs that are to  
35 be jointly funded through a state, local, public utility, or  
36 federal-local program.

37 (c) *The commission shall give preference to energy*  
38 *conservation projects in which an eligible institution is working*  
39 *in partnership with a community college, California State*  
40 *University, or University of California program to provide*

1 *vocational or professional training to university students and to*  
2 *demonstrate project benefits to the eligible institution's students*  
3 *and surrounding community.*

4 25423.2. ~~(a)~~ Applications may be approved by the  
5 commission only in those instances where the ~~eligible institution~~  
6 *applicant* has furnished information satisfactory to the  
7 commission.

8 ~~(b) The savings shall be calculated in a manner prescribed by~~  
9 ~~the commission.~~

10 25423.4. Annually at the conclusion of each fiscal year, but  
11 not later than October 31, each ~~eligible institution~~ *applicant*  
12 which has received an allocation pursuant to the provisions of  
13 this chapter shall compute the cost of the energy saved as a result  
14 of implementing ~~a~~ *an energy conservation* project funded by the  
15 allocation. The cost shall be calculated in a manner prescribed by  
16 the commission.

17 25423.6. (a) The State Energy Conservation Assistance  
18 Account for Public ~~Universities~~ *Schools* is hereby created in the  
19 General Fund. Moneys in the account shall, upon appropriation  
20 by the Legislature in the annual Budget Act, or other  
21 appropriation, be used by the commission for the purposes of this  
22 chapter.

23 (b) The money in the account shall consist of all money  
24 transferred to, or authorized or required to be deposited in, the  
25 account by the Legislature.

26 (c) The money in the account shall be disbursed by the  
27 Controller for the purposes of this chapter as authorized by the  
28 commission.

29 (d) The commission may provide grants for services to be  
30 performed for eligible institutions. Services may include, but are  
31 not limited to, feasibility analysis, project design, field  
32 assistance, and operation and training. The amount expended for  
33 those services may not exceed 10 percent of the balance of the  
34 account as determined by the commission on July 1 of each year.

35 25424. (a) An allocation made pursuant to this chapter shall  
36 be used for the purposes specified in an approved application.

37 (b) The commission shall allocate funds to ~~eligible institutions~~  
38 *for applicants for energy conservation* projects utilizing the  
39 following prioritized criteria:

1 (1) The degree of incorporation of energy efficiency  
2 technology into curriculum or efficacy of the *energy*  
3 *conservation* project to be utilized as a learning tool.

4 (2) The number of energy *conservation or* efficiency projects  
5 and the magnitude of energy efficiency benefits previously  
6 ~~derived from projects by the eligible institution implemented by~~  
7 *the applicant.*

8 ~~(3) The degree to which the eligible institution has~~  
9 ~~incorporated energy efficiency in its long-range strategic~~  
10 ~~planning through official planning documents that memorialize a~~  
11 ~~commitment to a comprehensive energy use reduction policy and~~  
12 ~~the degree to which the policy includes energy efficiency~~  
13 ~~retrofits.~~

14 ~~(4)~~  
15 ~~(3) Whether the eligible institution applicant has designated~~  
16 ~~staff or faculty responsible for coordinating energy policy on~~  
17 ~~campus or in the building the energy conservation project and~~  
18 ~~the number of similar projects and the magnitude of energy~~  
19 ~~efficiency benefits previously derived under the management of~~  
20 ~~the person or persons designated. This criteria shall consider~~  
21 ~~whether previous projects were performed on or ahead of~~  
22 ~~schedule, whether previous projects were completed on or below~~  
23 ~~budget, and whether the benefits actually achieved met or~~  
24 ~~exceeded expectations.~~

25 ~~(5) The degree of completion of planning phases of projects.~~

26 ~~(6)~~  
27 (4) The effectiveness of the *energy conservation* project as a  
28 demonstration project for other eligible institutions, including  
29 integration with existing energy efficiency technologies,  
30 proximity to other eligible institutions, and proximity to other  
31 educational, civic, and governmental institutions that may  
32 undertake similar projects.

33 ~~(7)~~  
34 (5) The amount of energy saved in the short run and over the  
35 life of the *energy conservation* project.

36 (c) In the event that the commission determines that an  
37 allocation has been expended for purposes other than those  
38 specified in an approved application, it shall immediately request  
39 the return of the full amount of the allocation. ~~The eligible~~  
40 ~~institution applicant~~ shall immediately comply with that request.

1     ~~25424.2. (a) In furtherance of the purposes of the~~  
2 ~~commission as set forth in this chapter, the commission may~~  
3 ~~employ financial consultants, legal advisers, accountants, and~~  
4 ~~other service providers, as may be necessary in its judgment, in~~  
5 ~~connection with activities pursuant to this chapter.~~

6     ~~(b)–~~

7     25424.2. Notwithstanding any other provision of law, this  
8 chapter provides a complete, separate, additional, and alternative  
9 method for implementing the measures authorized by this  
10 chapter, including the authority of the eligible institutions to  
11 borrow in the future pursuant to loans made pursuant to this  
12 chapter, and is supplemental and additional to powers conferred  
13 by other laws.

14     25424.4. The Department of Finance, at its discretion, may  
15 audit the expenditure of any allocation made pursuant to this  
16 chapter or the computation of any payment made pursuant to  
17 Section 25423.6.

18     25424.6. In addition to the powers specifically granted to the  
19 commission by the other provisions of this chapter, the  
20 commission shall have the following powers:

21     (a) To establish qualifications and priorities, consistent with  
22 the objectives of this chapter, for making allocations.

23     (b) To establish procedures and policies as may be necessary  
24 for the administration of this chapter.

25     25424.8. The commission may expend from the State Energy  
26 Conservation Assistance Account for Public ~~Universities~~ *Schools*  
27 an amount to pay for the actual administrative costs incurred by  
28 the commission pursuant to this chapter. Such amount shall not  
29 exceed 5 percent of the total appropriation, to be held in reserve  
30 and used to defray costs incurred by the commission for  
31 allocations made by the commission pursuant to this chapter.

32     SEC. 2. On or before July 1, 2007, and each July 1 thereafter,  
33 ~~the Attorney General~~ *Department of Water Resources* shall  
34 report to the Legislature on all sums collected and expended for  
35 costs associated with siting and installation of the LM6000 units  
36 obtained through the settlement with The Williams Companies,  
37 Inc. and Williams Energy Marketing & Trading Company, made  
38 and entered into as of November 11, 2002.

39     SEC. 3. (a) The sum of ~~twenty-two million dollars~~  
40 ~~(\$22,000,000)~~ *twenty-two million two hundred thirty-five*

1 *thousand dollars (\$22,235,000)* is hereby transferred from the  
2 Attorney General's ~~Alternative Energy Retrofit Account in the~~  
3 ~~Litigation Deposits Ratepayer Relief~~ Fund to the State Energy  
4 Conservation Assistance Account for Public ~~Universities~~ *Schools*  
5 for use by the State Energy Resources Conservation and  
6 Development Commission for the purposes of Chapter 5.2.5  
7 (commencing with Section 25423) of Division 15 of the Public  
8 Resources Code.

9 (b) The Legislature finds and declares that the moneys referred  
10 to in subdivision (a) are proceeds from the settlement of litigation  
11 with The Williams Companies, Inc. and Williams Energy  
12 Marketing & Trading Company, made and entered into as of  
13 November 11, 2002, and received for energy efficiency retrofit of  
14 schools and public buildings.